# 4 FAM 840 REIMBURSABLE AGREEMENTS

*(CT:FIN-433; 09-13-2013)*
*(Office of Origin: CGFS/FPRA/FP)*

## 4 FAM 841 SCOPE AND PURPOSE

*(CT:FIN-389; 03-18-2008)*

This subchapter covers the Department's procedures for processing interagency and intraagency reimbursable agreements for materials or performance of work or services on a reimbursable basis under the Economy Act, 31 U.S.C. 1535; Section 632 (b) of the Foreign Assistance Act of 1961 (FAA) as amended, or similar provisions of law.

## 4 FAM 842 AGREEMENT REQUIREMENTS

*(CT:FIN-433; 09-13-2013)*

a. Interagency agreements under the Economy Act must conform to subpart 617.500 of the Department of State Acquisition Regulation (DOSAR). All parties must agree to the terms and conditions set forth in the agreement and an authorized official(s) from each agency signs the agreement for validity.

b. An interagency agreement must include the following billing information (per TFM Bulletin No. 2007-03):

(1) Description of service to be provided;

(2) Parties involved;

(3) Roles and responsibilities of each party, including the method and frequency of performance reporting; provisions for advance payments and method of liquidating such advance, if needed; the parties' right to modify, cancel, or terminate the agreement; an alternate dispute resolution clause; a clause specifying that if the buyer cancels the order, the seller is authorized to collect costs incurred prior to cancellation of the order, plus any termination costs;

(4) Legal authority (e.g., The Economy Act, 31 U.S.C. 1535);

(5) Billing address, including point-of-contact name and telephone number; and

(6) Amount (can also be an estimate) and method of payment.

c. An interagency agreement must include the following accounting information:

(1) Obligation number;

(2) Fund cite (line of accounting), if different from the obligation document number;

(3) Treasury Account Symbol (TAS) for both trading partners;

(4) Business Event Type Codes (BETC) for both trading partners;

(5) Business Partner Network (BPN) for both trading partners;

(6) Agency's invoice number, if any;

(7) Agency's purchase order (project) number, if any;

(8) Agency Locator Code (ALC) or Disbursing Station Symbol Number (DSSN) (if a Department of Defense (DOD) organization) or Tax/Employer Identification Number, if the agency does not participate in the Intra-governmental Payment and Collection (IPAC) program; and

(9) Military Interagency Purchase Request (MIPR) number, if any (DOD only).

The Department of Treasury requires all the information listed above when transacting reimbursements via the IPAC system.

d. Every agreement should contain a provision whereby the agency receiving the service, i.e., the buying agency, provides a copy of the final agreement to its ALC/DSSN contact, which should be located in the agency's accounting and finance office or its assigned DOD Defense Finance and Accounting Service (DFAS) office. The purpose is to provide the buying agency's accounts payable (disbursing) section with documentation in support of any IPAC transaction applied to the agreement.

e. When the Department of State provides the services, i.e., when the Department is the selling agency, it submits the signed agreement, along with a reimbursement memorandum request stating the appropriation(s), point limitation(s), and allotment number(s) credited for income, to the *BP/RPBI/FCR* director for action.

# 4 FAM 843 TYPES OF REIMBURSABLES

*(CT:FIN-389; 03-18-2008)*

a. There are two types of reimbursables referred to in this section:

(1) Accounts receivable—The Department of State (seller) provides goods and/or services to another Federal agency, and that agency reimburses the Department; and

(2) Accounts payable—Another Federal agency provides goods and/or services to the Department of State (buyer), and the Department reimburses that agency.

b. Electronic payments are required between Federal Government agencies; the

standard payment methodology is IPAC. No check writing techniques shall be used between and among Federal agencies unless written approval is obtained from the Department of the Treasury, Financial Management Service.

# 4 FAM 844 ACCOUNTS RECEIVABLE REIMBURSABLES

## 4 FAM 844.1 Intraagency Reimbursement (State to State)

*(CT:FIN-433; 09-13-2013)*

a. Intraagency (internal) reimbursement agreements are established when a State Department bureau or office provides goods or services to another bureau/office within the Department.

b. A written agreement (may be in memorandum form) must be established between the customer (buyer) and servicing (seller) bureau. The buyer's executive office submits the agreement, after it is cleared by the seller, to the *BP/RPBI/FCR* director for action. The agreement must include the purpose, reimbursement amount, and buyer's fiscal citation(s) to be charged and the seller's account/allotment to be credited. Also, the submission must include appropriate documentation in support of the buyer's charge(s), such as a screen print of the obligation established in the financial accounting system.

## 4 FAM 844.2 Interagency Reimbursement (State to Another Agency)

*(CT:FIN-433; 09-13-2013)*

a. The Department of State, as the seller agency, is required to record an unfilled/unbilled customer order immediately upon receipt and to accept an authorized intragovernmental order.

b. *The Accounts Receivable office (CGFS/F/RR)* usually initiates the IPAC payment transaction. However, responsibility for initiating the IPAC transaction may be negotiated between the Department and the other agency, and the responsible party may be stated in the order. If no responsible party is specified, the Department will be deemed the party responsible for initiating the IPAC transaction. If nonperformance of service, overcharge, compromise or settlement of dispute, cancellation of agreement, or other action reducing the financial obligation of the other agency occurs, the Department must credit the funds back to the other agency's account. Credits must be processed within 10 business days after receiving the buyer or seller refund notification via IPAC or accounts payable (check payment request).

c. *CGFS/F/RR* must forward a hard copy of the paper-based Form SF-1080, Voucher for Transfers Between Appropriations and/or Funds, or Form SF-1081, Voucher and Schedule of Withdrawals and Credits, to the specified (other) agency and any supporting reimbursement documentation. The U.S. agencies involved should agree to a reasonable billing schedule. Each Form SF-1080 and Form SF-1081 billing must be prepared with sufficient information so that the other agency can readily identify the related order.

d. *BP/RPBI/FCR*, in coordination with *CGFS/F/RR*, should process all undisputed bills for payments within 15 business days after the billing date. The seller bureau/office within the Department may suspend or terminate services for agencies that fail to make payments for undisputed portions within 30 business days of the billing date. See 6 FAH-5 H-441 for suspension or termination of ICASS services.

## 4 FAM 844.3 Accounts Payable Interagency Reimbursables (Another Agency to State)

*(CT:FIN-389; 03-18-2008)*

a. When the Department of State, as the buyer agency, determines that a requirement will be fulfilled by another agency, the Department prepares and transmits an intragovernmental order to the other (seller) agency. Negotiations between the business partners may take place prior to the preparation of the order, and the other agency may prepare the order for the Department. However, the order number assigned by the Department serves as the document control number. In addition, necessary funding information/citation must be included on the order.

b. An obligation must be recorded in the Department's financial management system prior to transmitting the authorized order to the other agency. If the obligation number is different from the order number, then the obligation record must include the intragovernmental order number and any interagency agreement associated with the obligation. An intragovernmental order will be deemed accepted when signed by both business partners.

c. The Department's additional responsibilities as the buyer include:

   (1) Providing the seller with its Agency Locator Code (ALC) or Disbursing Station Symbol Number (DSSN) (for all Department of Defense (DOD) organizations) or Tax/Employer Identification Number, if the agency does not participate in the IPAC program. This information must be included in the interagency agreement so that the seller can collect the funds;

   (2) Returning unidentified bills to the appropriate U.S. agency;

   (3) Establishing a system for verifying receipt of goods and services;

   (4) Promptly paying bills for services/goods rendered or bills submitted in advance, as specified in the term of the agreement. A bill or request for

payment is not subject to audit or certification in advance of payment. Proper adjustment of amounts paid in advance must be made as agreed to by the seller and buyer on the basis of the actual cost of goods, services, or units provided; and

(5) Using regular follow-up procedures to ensure that ordered goods and services are received and accepted.

# 4 FAM 845 FORMS USED

*(CT:FIN-389; 03-18-2008)*

The forms used in vouchering reimbursable payments to other U.S. agencies are Forms SF-1080, Voucher for Transfers Between Appropriations and/or Funds, and SF-1081, Voucher and Schedule of Withdrawals and Credits.

# 4 FAM 846 INTRAGOVERNMENTAL REGISTER

*(CT:FIN-389; 03-18-2008)*

Agencies must register their buying and selling units with the Business Partner Network (BPN). To register on the BPN, a business unit must first obtain a Dun and Bradstreet Universal Numbering System (DUNS) number. Both the bureau/office/organization that signs a Memorandum of Understanding (MOU), interagency agreement, or other obligating document and the other Federal agency must register and reference their respective DUNS numbers in the agreement for the intragovernmental funding transaction.

# 4 FAM 847 DISPUTE PROCESS

*(CT:FIN-433; 09-13-2013)*

The buyer and seller are expected to resolve any dispute within 30 business days of the billing date, or as specified in the agreement terms, for ICASS (see 6 FAH-5 *H-462*). Dispute resolution must involve program offices, accounting offices, contracting offices, and CFOs, as appropriate. Disputes must be documented in writing with clear reasons for the dispute. Disputes resulting from accounting treatment or contractual treatment will be resolved within 60 days by a CFOs Council’s Committee (per TFM Bulletin No. 2007-03). When the Department is the seller, if the dispute is not resolved prior to the end of the fiscal year, the Department’s allotment will be reduced for the unauthorized balance. Also, any compromise or settlement resulting in further charges to the buyer must be resubmitted to *BP/RPBI/FCR*, which will post the charge(s) as an agreement amendment.

# 4 FAM 848 AND 849 UNASSIGNED